

HOUSE BILL 689

Unofficial Copy
P1

2004 Regular Session
4r2136
CF 4r2135

By: **Delegate Heller (Joint Committee on the Management of Public Funds)**
and Delegates Aumann, Conway, and Marriott

Introduced and read first time: February 4, 2004

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **General Obligation Bonds - Payment and Accounting for Principal and**
3 **Interest**

4 FOR the purpose of requiring the State's fiscal agents to provide, at certain times, an
5 accounting of certain State bonds and coupons that have not been redeemed in a
6 certain period and the total unredeemed principal and interest on certain State
7 bonds and coupons; requiring the Treasurer to deposit unredeemed principal
8 and interest into the unrepresented bond and coupon account; requiring the
9 Treasurer to dispose of certain money according to certain statutes; and
10 generally relating to the payment and accounting for principal and interest on
11 general obligation bonds.

12 BY repealing and reenacting, with amendments,
13 Article - State Finance and Procurement
14 Section 8-135
15 Annotated Code of Maryland
16 (2001 Replacement Volume and 2003 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
18 MARYLAND, That the Laws of Maryland read as follows:

19 **Article - State Finance and Procurement**

20 8-135.

21 (a) In this section, "financial institution" has the meaning stated in § 6-201 of
22 this article.

23 (b) The Treasurer may appoint any financial institution as a fiscal agent.

24 (c) During its agency, the fiscal agent shall be covered by a surety bond in the
25 form and amount required by law.

1 (d) (1) In accordance with the procedures that the Treasurer sets, a fiscal
2 agent shall pay at the financial institution, from money advanced to the agent, the
3 interest on State debt and, as the principal matures, the principal.

4 (2) The fiscal agent shall keep a receipt for each payment.

5 (e) Each fiscal agent shall:

6 (1) allow the Treasurer to inspect the agent's accounts at any time; and

7 (2) provide copies of the accounts on request of:

8 (i) the Senate;

9 (ii) the House of Delegates;

10 (iii) the Comptroller; or

11 (iv) the Treasurer.

12 (f) At least once every 6 months, each fiscal agent shall send to the Treasurer:

13 (1) an accounting of the State bonds and coupons that the agent has
14 redeemed since the last accounting or transmittal under this subsection [and];

15 (2) (I) a certificate that states the total number of those State bonds
16 and coupons and that attests to the destruction of all of them by a method satisfactory
17 to the Treasurer; or

18 [(2)] (II) if the Treasurer requires, the State bonds and coupons that the
19 agent has redeemed since the last accounting or transmittal under this subsection;

20 (3) AN ACCOUNTING OF THE STATE BONDS AND COUPONS THAT HAVE
21 NOT BEEN REDEEMED DURING ANY ALLOWED REDEMPTION PERIOD THAT EXPIRED
22 SINCE THE PRIOR ACCOUNTING PROVIDED UNDER THIS SUBSECTION; AND

23 (4) THE TOTAL UNREDEEMED PRINCIPAL AND INTEREST ON ANY STATE
24 BONDS AND COUPONS FOR WHICH THE REDEMPTION PERIOD HAS EXPIRED SINCE
25 THE PRIOR ACCOUNTING PROVIDED UNDER THIS SUBSECTION.

26 (g) (1) The Treasurer shall examine, count, and record each State bond and
27 coupon that a fiscal agent returns.

28 (2) Once every 2 years, after the Legislative Auditor verifies the records
29 of the Treasurer, the Comptroller and the Treasurer or their deputies shall destroy all
30 State bonds and coupons that the fiscal agents returned before the close of the last
31 fiscal year.

32 (3) The State bonds and coupons shall be destroyed in the presence of the
33 Legislative Auditor or a designee of the Auditor.

1 (4) The Comptroller, Treasurer, and Legislative Auditor shall execute a
2 certificate that states the total number of State bonds and coupons destroyed and that
3 attests to the destruction of all of them.

4 (h) The Treasurer shall:

5 (1) keep all certificates of destruction; and

6 (2) send copies of each certificate to the presiding officers of the General
7 Assembly.

8 (I) THE TREASURER SHALL:

9 (1) DEPOSIT UNREDEEMED PRINCIPAL AND INTEREST INTO AN
10 UNPRESENTED BOND AND COUPON ACCOUNT; AND

11 (2) DISPOSE OF UNREDEEMED PRINCIPAL AND INTEREST AS PROVIDED
12 IN TITLE 17 OF THE COMMERCIAL LAW ARTICLE.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 October 1, 2004.